

**West Valley Water District  
Internal Control System Review  
STATUS MEETING AGENDA**

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**Date:** September 17, 2019  
**Time:** 02:00 P.M.  
**Location:** West Valley Water District  
855 W. Baseline Rd,  
Rialto, CA 92376

**Persons Attending:**

Status Meeting Agenda Sign-In Sheet, EWP \_\_\_\_.

**Agenda Items:**

- 1) Current Procedures:
  - a) Reviewing contracts and invoices
    - i) Additional supporting documentation
  - b) Sampling payroll/overtime
  - c) Reviewing Directors' Expenses
- 2) Pending:
  - a) Fixed asset inventory listing
  - b) Wire transfers
  - c) Review reconciliation from cashier register to bank statements
  - d) Ethics course from directors

**Preliminary Issues:**

Human Resources:

+The district failed to provide documentation to support the district performed a hiring process for executives' positions

+Failed to provide a fair and competitive hiring process for three non-executives positions

+Hired position before position were approved in the district's budget

Excessive increase in pay rate from internal promotion

No evidence that the District performed a thorough review and verified candidate's education and work experience.

Background checks were performed after candidates were hired

Contracts:

Multiple professional contracts did not undergo a competitive bidding process

Multiple contracts exceeded the original contract amount

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Multiple services were provided and invoice before a purchase order was completed.

District excluded multiple contractors' insurance requirement

Credit Cards:

Credit cards expenses lack justification and supporting documentation

Credit Card were used for non-district business related expenses

Multiple credit card purchases did not follow the district purchasing policy

Expenses:

+Invoices lack of detail and description of work performed.

+Failed to perform the district purchasing process; invoices were received before purchase requisition and purchase order.

+Travel expenses for consultants

Sponsorship Police and Fire Awards Dinner

Sponsorship 78<sup>th</sup> Annual Installation Gala-Casino Royale

Lobbying Fees

Sierra Lakes Golf Club.

Varner & Brandt, 74639, 1/17/2019 duplicate payment of \$12K of legal fees (payment was originated in Check No.74429, 12/14/2018)

Lack of Segregation of Duties:

District personnel outside of the Finance and Purchasing department have access right to the district accounting function; they have the ability to execute, track, and record transactions

+Lack of policy and procedures

+Cancellation of EPLI Insurance policy from ACWA JPIA